

Exhibit 56

**Excerpts of Brent Thill
Deposition Transcripts**

Brent Thill
8/28/2024

1 UNITED STATES DISTRICT COURT
 2 SOUTHERN DISTRICT OF NEW YORK
 3
 4 SECURITIES AND EXCHANGE)
 COMMISSION,)
 5)
 PLAINTIFF,)
) Case No.
 6 vs.) 23-cv-9518-PAE
)
 7 SOLARWINDS CORP. AND TIMOTHY)
 G. BROWN,)
 8)
 DEFENDANTS.)
 9 _____)

10
 11
 12 VIDEOTAPED DEPOSITION OF
 BRENT THILL
 13 Wednesday, August 28, 2024
 14 San Francisco, California

15
 16 Reported By:
 KATHLEEN A. MALTBIE, STENOGRAPHIC REPORTER
 17 California CSR 10068, Nevada CCR 995, Texas CSR
 18 12212, RPR-RMR-CRR-CCRR-CLR-CRC-RDR
 19 JOB No. 240828KWI

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1 APPEARANCES OF COUNSEL
 2 FOR THE PLAINTIFF:
 3 SECURITIES AND EXCHANGE COMMISSION
 4 100 F Street, N.E.
 Washington, D.C. 20549
 BY: CHRISTOPHER BRUCKMANN, ESQ.
 BENJAMIN BRUTLAG, ESQ.
 Telephone: (202) 256-7941
 Email: BruckmannC@sec.gov
 brutlagb@sec.gov

7 FOR THE DEFENDANTS:
 8 LATHAM & WATKINS, LLP
 9 1271 Avenue of the Americas
 New York, New York 10020
 10 BY: SERRIN TURNER, ESQ.
 JOSH KATZ, ESQ.
 Telephone: (212) 906-1330
 Email: Serrin.turner@lw.com
 Josh.Katz@lw.com

12 LATHAM & WATKINS, LLP
 13 330 North Wabash Avenue, Suite 2800
 Chicago, Illinois 60611
 BY: KIRSTEN C. LEE, ESQ. (Zoom)
 Telephone: (312) 777-7281
 Email: Kirsten.lee@lw.com

16 FOR JEFFERIES AND THE WITNESS:
 17 WILMERHALE
 18 1 Front Street, Suite 3500
 San Francisco, California 94111
 19 BY: MICHAEL MUGMON, ESQ.
 Telephone: (628) 235-1006
 Email: Michael.mugmon@wilmerhale.com

21 WILMERHALE
 22 60 State Street
 Boston, Massachusetts 02109
 BY: JESSICA NOTEBAERT, ESQ.
 Telephone: (617) 526-6721
 Email: Jessica.notebaert@wilmerhale.com

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1 VIDEOTAPED DEPOSITION OF BRENT THILL
 BE IT REMEMBERED that on Wednesday,
 2 August 28, 2024, commencing at the hour of 9:06 a.m.
 3 thereof, before me, Kathleen A. Maltbie,
 4 RPR-RMR-CRR-CCRR-CLR-CRC-RDR, a Certified
 5 Stenographic Shorthand Reporter, in and for the
 6 State of California, Nevada and Texas, personally
 7 appeared BRENT THILL, a witness in the
 8 above-entitled court and cause, who, being by me
 9 first duly sworn, was thereupon examined as a
 10 witness in said action.

1 APPEARANCES (Continued)

2 ALSO PRESENT:

3 Frank Quirarte, Videographer
 4 Greg Rose, Jefferies (Zoom)

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Brent Thill
8/28/2024

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<p>1 hours each.</p> <p>2 Q. And were each of those by videoconference?</p> <p>3 A. Correct.</p> <p>4 Q. I want to start just by going through a</p> <p>5 little bit of your work history. If you can just</p> <p>6 explain to me at a high level whether your career</p> <p>7 has generally been the same or if it's changed over</p> <p>8 time.</p> <p>9 A. I've been in research for over two</p> <p>10 decades. It's largely been the same. Looking at</p> <p>11 different facts from doing research to looking at</p> <p>12 financials to talking to management teams. It's</p> <p>13 largely been -- it's largely been the same.</p> <p>14 Q. When -- when you say "research," what</p> <p>15 specifically do you research?</p> <p>16 A. We research software companies. So we do</p> <p>17 work on the industry, understand the management</p> <p>18 team, the products, the competitive landscape,</p> <p>19 everything that has to go into whether an investor</p> <p>20 would make a decision to invest in a software</p> <p>21 company or not.</p> <p>22 Q. So investment research?</p> <p>23 A. Correct.</p> <p>24 Q. Are you familiar with the terms "buy side"</p> <p>25 and "sell side" research?</p>	<p>1 understand the industry, to help our clients</p> <p>2 understand what's happening, to help -- to</p> <p>3 effectively do work on -- on writing reports,</p> <p>4 models, financial models, helping -- helping our buy</p> <p>5 side clients understand what's -- what's a good</p> <p>6 investment and what's not.</p> <p>7 Q. Okay. When you say the "buy side</p> <p>8 clients," I don't need the -- the names of your</p> <p>9 clients, but generally, what is the typical type of</p> <p>10 client that you serve?</p> <p>11 A. We -- we serve institutional clients. So</p> <p>12 clients that are typically the largest holders of --</p> <p>13 of these assets. So they make up the majority.</p> <p>14 They're not individual investors.</p> <p>15 Q. When you say "institutional clients,"</p> <p>16 would that be things like pension funds?</p> <p>17 A. Correct. Pension funds, mutual funds,</p> <p>18 firms like Fidelity, Janis, the big investment</p> <p>19 firms.</p> <p>20 Q. And how big is the team that you</p> <p>21 supervised when you started at Jefferies?</p> <p>22 A. We have had, in the last seven years,</p> <p>23 anywhere between five to seven on the team. It's</p> <p>24 been upwards of 15 at times. So it kind of rotates</p> <p>25 at times. But I run our tech research group. So</p>
<p>13</p> <p>1 A. Yes. I'm on the sell side.</p> <p>2 Q. All right. What is the difference between</p> <p>3 buy side and sell side?</p> <p>4 A. Sell side is helping the buy side</p> <p>5 understand ideas so they can buy the asset. So</p> <p>6 we're effectively selling our view and helping them</p> <p>7 make a decision whether they believe it's a good</p> <p>8 investment or not. Buy side is actually the ones</p> <p>9 that manage your 401(k) money to actually invest the</p> <p>10 money.</p> <p>11 Q. In -- in doing investment research, what</p> <p>12 sectors have you worked on over the course of your</p> <p>13 career?</p> <p>14 A. Software and internet. So technology for</p> <p>15 over two decades.</p> <p>16 Q. And what company do you work at now?</p> <p>17 A. Jefferies.</p> <p>18 Q. How long have you worked there?</p> <p>19 A. Seven-plus years.</p> <p>20 Q. What was your title when you started?</p> <p>21 A. Managing director.</p> <p>22 Q. Generally, as a managing director, what</p> <p>23 were your responsibilities at Jefferies?</p> <p>24 A. Help lead our tech team, help lead a group</p> <p>25 of associates and research analysts to better</p>	<p>15</p> <p>1 it's a collection of -- of individuals across the</p> <p>2 team.</p> <p>3 Q. And you said your title was managing</p> <p>4 director when you started?</p> <p>5 A. Correct.</p> <p>6 Q. What is your title now?</p> <p>7 A. Managing director.</p> <p>8 Q. And have your responsibilities generally</p> <p>9 stayed the same over your seven years at Jefferies?</p> <p>10 A. Largely the same. I started in internet,</p> <p>11 and then I transitioned to software. Then I had</p> <p>12 both. Then I went back to mainly software. So I</p> <p>13 had a period where I was -- had quite a bit on my</p> <p>14 plate, and then went -- went purely back to</p> <p>15 software. So there's been a little bit of flux, but</p> <p>16 largely the same thing I've been doing for the last</p> <p>17 25 years.</p> <p>18 Q. For the last 25 years, you focused on</p> <p>19 investment research for technology companies?</p> <p>20 A. Correct.</p> <p>21 Q. How much of that has focused specifically</p> <p>22 on software companies?</p> <p>23 A. I'd say over 75 percent of my time has</p> <p>24 been on software.</p> <p>25 Q. How many companies do you currently follow</p>

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1 BY MR. BRUCKMANN:

2 Q. When doing your research analysis, do you
3 talk to customers of companies that you cover about
4 their views about cyber security?

5 A. We don't focus on it specifically for a
6 lot of our companies because we, by definition,
7 believe that most of the software companies are
8 default by nature.

9 So we tend to focus on what is the product
10 doing for your organization, how are your users
11 using it. We tend to focus on if they bring it up.
12 But we don't necessarily focus specifically on it
13 because we, by definition, believe if you get in a
14 car, you believe the car is going to drive safe. If
15 you eat food or drink water, you believe by default
16 it's safe. So that's not where I spend my time.
17 Not to say it's not important, but that's not where
18 I spend my time.

19 Q. Explain to me a little bit more about that
20 assumption.

21 What is that assumption?

22 A. I think the assumption is, like, you wake
23 up and you -- you drink a cup of coffee and you feel
24 like, hey, that Peet's Coffee is safe, like, you can
25 drink it. Or you get in your car or you put your

29

1 it was a team approach. My team had covered it
2 prior to the time I came to the firm, and they had
3 covered it and knew more about the company than I
4 did. And then I picked up coverage as part of the
5 team. But that, I believe, was in the 2000 -- 2000,
6 2001 time frame. Time frame is unclear, but ...

7 Q. Okay. All the way back to, like, 2001
8 you're thinking --

9 A. No. No. Sorry, 2019, 2020. And I
10 independently covered them because we -- they were
11 an important player in the industry. We had a lot
12 of admiration for Kevin Thompson, who I had worked
13 with at Red Hat, and he became the CEO. And I
14 was -- had high admiration for Kevin as a leader, so
15 covered -- covered it independently, like from a
16 distance, not formally, but from a distance for a
17 while.

18 Q. So roughly what time period do you think
19 you covered SolarWinds from?

20 A. I don't have an exact start date. I
21 don't.

22 MR. BRUCKMANN: I'll ask the court
23 reporter to mark this as Thill 1, please.

24 (Whereupon, Deposition Exhibit 1
25 was marked for identification.)

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1 daughter on the bus like I did this morning for my
2 daughter, first day of school, I put her on the bus,
3 and that bus driver is going to be safe, he's had a
4 security check, we know he's not a known criminal,
5 right? By definition of everything you're doing,
6 you don't think of it. As you get on a plane, you
7 don't think of, hey, you take a risk, but you're
8 taking every safety precaution you can.

9 So I don't -- I don't think we wake up
10 every day thinking that there's some massive flaw or
11 issue or it's not going to work. We think -- we
12 think that it's going to work. My phone is going to
13 work, and I'm having a secure conversation with my
14 wife. I don't have all my friends listening.

15 So you, by definition, believe that
16 it's -- these are safe products.

17 Q. Are you familiar with SolarWinds
18 Corporation?

19 A. Yes, I am.

20 Q. Do you presently cover SolarWinds?

21 A. No.

22 Q. Did you ever cover SolarWinds?

23 A. I did.

24 Q. When did you start covering SolarWinds?

25 A. I don't remember the exact time frame, but

30

1 BY MR. BRUCKMANN:

2 Q. Mr. Thill, do you recognize the document
3 that I've put in front of you that's been marked as
4 Exhibit Thill 1?

5 A. Yes, I do.

6 Q. What is it?

7 A. It's a research report from Jefferies, our
8 firm. This is our standard template we've put
9 research in.

10 Q. Okay. And who's the primary person
11 responsible for this research report?

12 A. That would be me.

13 Q. And which company does it relate to?

14 A. SolarWinds.

15 Q. All right. If you look at the top left,
16 underneath SolarWinds, it says (as read):

17 Steady LT growth despite ST
18 license hiccup.

19 And underneath that, there's a date of
20 February 5th, 2020.

21 Do you see that?

22 A. Yes.

23 Q. At least in early 2020, were you covering
24 SolarWinds?

25 A. Yes.

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<p>1 access controls?</p> <p>2 MR. TURNER: I'm going to object to</p> <p>3 foundation. The witness has already testified he's</p> <p>4 not an expert on access or access controls.</p> <p>5 MR. BRUCKMANN: Let me rephrase it.</p> <p>6 BY MR. BRUCKMANN:</p> <p>7 Q. How important is it for you, as an</p> <p>8 investment research analyst, that a software company</p> <p>9 you cover has strong access controls?</p> <p>10 A. Access control may not be the only thing.</p> <p>11 I think what we're looking for is -- is there are a</p> <p>12 comprehensive security model, again, a layered</p> <p>13 security model for each of the components. If</p> <p>14 it's -- if it's a saved lock or a master lock or</p> <p>15 whatever, just ensuring that there are proper --</p> <p>16 there's a proper security model around it despite</p> <p>17 what the -- the term of it is, that there is a</p> <p>18 comprehensive security model that is in place, that</p> <p>19 it's tested, and that they haven't had any prior</p> <p>20 breaches. Or -- or understanding, if there was a</p> <p>21 breach, what the issue was.</p> <p>22 But that's where we tend to go with our</p> <p>23 work, which is we don't get into, you know, what --</p> <p>24 what lock is on or what steel is made of each --</p> <p>25 each checkpoint or who the maker is. That's not</p>	<p>1 create these -- these issues where the bad guys can</p> <p>2 get in.</p> <p>3 Q. Do you have any understanding of what the</p> <p>4 components of a security development lifecycle are?</p> <p>5 A. I don't know every layer of every</p> <p>6 component.</p> <p>7 Q. Do you know some of them?</p> <p>8 A. I don't know the technical layers, no.</p> <p>9 Q. How important is it to you in covering a</p> <p>10 company as an investment research analyst, a</p> <p>11 software company, that it follows a secured</p> <p>12 development lifecycle for its products?</p> <p>13 A. I think it's pretty important to cover a</p> <p>14 process. Because it's critical to ensuring the</p> <p>15 success of the software over -- over time. Again,</p> <p>16 without knowing every technical layer, but it's,</p> <p>17 like, is that water purified. I would assume. I</p> <p>18 don't know all the steps it goes through, but it --</p> <p>19 I'm assuming that is being -- it's drinkable, right.</p> <p>20 Q. Did you make any particular assumptions</p> <p>21 about SolarWinds' cyber security practices when you</p> <p>22 started following it?</p> <p>23 A. No. It didn't really even really cross my</p> <p>24 mind. Again, going back to what I said earlier was,</p> <p>25 in our work, we tend to focus on -- we focused on</p>
<p>41</p> <p>1 where we typically go with our work. And that's</p> <p>2 outside my -- my realm of understanding.</p> <p>3 Q. Are you familiar with the term "security</p> <p>4 development lifecycle"?</p> <p>5 A. I am.</p> <p>6 Q. What does that term mean to you?</p> <p>7 A. That as you give birth to software from</p> <p>8 the beginning of the code to the end of the code,</p> <p>9 that it goes through a process, as I understand it.</p> <p>10 I may be off. But as I understand it, there's a --</p> <p>11 there's a process that -- that you go through that</p> <p>12 the -- the upbringing of that software all the way</p> <p>13 through the final ship of the product.</p> <p>14 So there's a development cycle, you build</p> <p>15 the first product, you test it, you understand, you</p> <p>16 ensure, like, is it safe, is it -- can be</p> <p>17 compromised, and then you're -- software is always</p> <p>18 evolving. So how do you ensure that through that</p> <p>19 lifecycle, that it's -- it's safe and secure.</p> <p>20 And that process can take -- that process</p> <p>21 could take years, and it -- it could -- it could</p> <p>22 stretch against -- across different product</p> <p>23 launches. And this is the problem, you know, which</p> <p>24 has been happening in the industry, which is</p> <p>25 software is becoming more complex. And that can</p>	<p>43</p> <p>1 other things that our clients focus on it. Our</p> <p>2 clients are focused on other important things, and</p> <p>3 most of our clients we'll assume by default that the</p> <p>4 companies are operating a procedure that they're</p> <p>5 doing the right thing.</p> <p>6 Q. Why do customers operate under default</p> <p>7 that companies are doing the right thing?</p> <p>8 MR. MUGMOM: Objection. Form.</p> <p>9 MR. TURNER: Foundation and form.</p> <p>10 THE WITNESS: I think customers that are</p> <p>11 buying multimillion dollar software systems are</p> <p>12 ensuring that they're secure and safe. And it's up</p> <p>13 to them to test them and do their own due diligence</p> <p>14 to ensure that.</p> <p>15 So, you know, the first thing that we do</p> <p>16 as a firm is, you know, we're -- we're regulated and</p> <p>17 we want to ensure that the products work, and we'll</p> <p>18 go through a rigorous testing cycle. A lot of the</p> <p>19 clients will go through these testing cycles on</p> <p>20 their own to ensure that without -- without, like,</p> <p>21 just trusting that the software vendor, they'll go</p> <p>22 through that in their own process work. And it</p> <p>23 never came up -- it never came up in a lot of our</p> <p>24 due diligence of any of our other companies that we</p> <p>25 worked with that this was an issue for -- a broader</p>

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<p>1 follow, and this is kind of a standard list that, 2 you know, I think companies put up to say here's 3 what we follow and here's the process and protocol. 4 It looks like a fairly generic statement, but it 5 doesn't -- it doesn't -- doesn't describe how they 6 make the donuts. It's, like, here's our -- here's 7 the process.</p> <p>8 Q. Have you ever heard of a software company 9 not having a security statement?</p> <p>10 A. No.</p> <p>11 Q. Would it be concerning to you if a 12 software company didn't?</p> <p>13 A. Yes.</p> <p>14 Q. Why?</p> <p>15 A. As I said earlier, everything is being put 16 on top of these platforms to run our economy. And 17 software is invading every part of what we do. 18 And -- and so at the foundation, security -- 19 software companies are expected to have, you know, 20 the basic locks and bolts to ensure that consumers 21 and enterprises are protected.</p> <p>22 Q. If you could take a look at the first 23 page, do you see the bold header, "organizational 24 security"?</p> <p>25 A. Mm-hmm.</p>	<p>1 Q. How important are the steps in those two 2 paragraphs under organizational security, from your 3 perspective?</p> <p>4 MR. TURNER: Objection to form.</p> <p>5 MR. MUGMOM: Same objection.</p> <p>6 MR. TURNER: He just testified that he 7 never saw it before, so how would it be important to 8 him?</p> <p>9 THE WITNESS: The layered -- layered 10 security model, as I said earlier, is, I think, 11 something that's been in the industry for two 12 decades. It's not new. It's not new in anything we 13 do, whether it's your house access, your billing -- 14 you're billing software, getting in a car. Like, 15 there's layered security, and layered security is 16 important.</p> <p>17 BY MR. BRUCKMANN:</p> <p>18 Q. If you found out that a software company 19 that you followed was not following the steps 20 described in those two paragraphs, how would that 21 affect your coverage of that company?</p> <p>22 A. It depends because you could leave a back 23 door of your house open and the bad guys don't get 24 in, but do you have the right locks, do you have the 25 right alarm, do you have the right processes in</p>
<p>49</p> <p>1 Q. If you could just read to yourself the two 2 paragraphs underneath that beginning with 3 "Information security roles," and just let me know 4 once you've read those two paragraphs, please.</p> <p>5 A. I did review this yesterday, so ...</p> <p>6 MR. MUGMOM: You don't need to talk about 7 what we -- we did together.</p> <p>8 MR. BRUCKMANN: I don't want to get into 9 what --</p> <p>10 (Simultaneous speakers - inaudible.)</p> <p>11 THE WITNESS: I've read it, yeah.</p> <p>12 BY MR. BRUCKMANN:</p> <p>13 Q. So let me just sort of use as a marker in 14 time.</p> <p>15 Are you aware of the Sunburst hack?</p> <p>16 A. Yes.</p> <p>17 Q. All right. Have you read those two 18 paragraphs that I've just discussed prior to the 19 Sunburst -- Sunburst hack at any time?</p> <p>20 A. I had not.</p> <p>21 Q. Do you know if anyone in your team had?</p> <p>22 A. I don't know if anyone had read this, but 23 everyone that covers industry by definition believes 24 that this -- this statement is followed by 25 100 percent of the software industry.</p>	<p>51</p> <p>1 place. So it really -- it really depends. It -- as 2 I said, it's a layered model, so all the components 3 have to work together. And sometimes there could be 4 one component that doesn't work perfectly, but it 5 doesn't mean it's going to comprise -- compromise 6 the entire system. And that's the beauty of having 7 a layered model, which is you tend to -- you tend to 8 find issues because it is layered.</p> <p>9 Q. If you could go to the second page of the 10 document. And there's a header, "Operational 11 Security," and underneath that, there's another 12 header, "Change Management."</p> <p>13 Do you see that section?</p> <p>14 A. Yes.</p> <p>15 Q. If you could just take a minute and read 16 the paragraph under "Change Management" to yourself. 17 I know you may have read this recently previously, 18 but I'd just ask that you do it again now, if you 19 don't mind.</p> <p>20 A. I reviewed it.</p> <p>21 Q. Okay. Do you know if you read that 22 paragraph prior to the Sunburst hack?</p> <p>23 A. No, I did not.</p> <p>24 Q. Do you know if anyone on your team did?</p> <p>25 A. I don't know.</p>

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<p>1 Q. How important are the steps that are 2 described in that paragraph under "Change 3 Management"?</p> <p>4 MR. MUGMOM: Objection to form. 5 MR. TURNER: Same objection. 6 THE WITNESS: It's really important 7 because if you update the software and, let's say, 8 an employee leaves and then a new developer comes in 9 and it's not reviewed and they made some changes and 10 the change goes into the software and it's not 11 reviewed, then the software could be compromised. 12 So yeah, I mean, every -- every change in the 13 software process should be ensured that it's -- it's 14 checked and it -- and it runs correctly. I think 15 most software companies run this where they're going 16 to make a lot of changes to the software and then 17 they run it through a final system to ensure that 18 it -- that it's -- it's been reviewed and 19 understands, hey, like there are no -- there are no 20 open doors.</p> <p>21 BY MR. BRUCKMANN: 22 Q. Are the steps in the paragraph under 23 "Change Management" part of the steps that you said 24 you assumed that all software companies follow? 25 A. It's by definition you would assume that</p>	<p>1 all software companies you followed employed? 2 A. Hundred percent. 3 Q. A few paragraphs down, there's a header, 4 "Network Security." 5 Do you see that? 6 A. Yes. 7 Q. If you could just take a moment and read 8 the three paragraphs under "Network Security" to 9 yourself, please. 10 A. Yes. 11 Q. Did you read those three paragraphs at any 12 point prior to the Sunburst hack? 13 A. No. 14 Q. Do you know if anyone on your team did? 15 A. Not sure. 16 Q. How important are the steps that are 17 described in those three paragraphs? 18 MR. MUGMOM: Objection as to form. 19 MR. TURNER: Same. 20 THE WITNESS: Every company from small to 21 large has a network security platform. And it could 22 be virtual, it could be on premise, but every -- 23 every company has to have a proper network security 24 platform. And most of this is embedded in -- if you 25 go to a public cloud provider, they're going to have</p>
<p>53</p> <p>1 that's how it's run. There's no head of R&D I would 2 meet that wouldn't run that process.</p> <p>3 Q. A couple paragraphs down, there's a 4 header, "Auditing and Logging."</p> <p>5 Do you see that header?</p> <p>6 A. Mm-hmm.</p> <p>7 Q. If you could just read the paragraph under 8 "Auditing and Logging" to yourself, please.</p> <p>9 A. Yes.</p> <p>10 Q. Did you read that paragraph at any point 11 prior to the Sunburst hack?</p> <p>12 A. No.</p> <p>13 Q. Do you know if anyone on your team did?</p> <p>14 A. I don't know.</p> <p>15 Q. How important are the steps in the 16 paragraph under "Auditing and Logging"?</p> <p>17 MR. MUGMOM: Objection as to form.</p> <p>18 MR. TURNER: Same.</p> <p>19 THE WITNESS: Same as "Change Management," 20 that you need to understand who's in the system, who 21 made the changes, why they were there, how long were 22 they there for, you want to understand the -- the 23 log of who was in the system.</p> <p>24 BY MR. BRUCKMANN:</p> <p>25 Q. And are these steps that you assumed that</p>	<p>55</p> <p>1 network security. If you run a large corporation, 2 you're probably going to have firewalls on ground or 3 you're going to have virtual firewalls. Every -- 4 every major customer has a -- has a firewall.</p> <p>5 BY MR. BRUCKMANN:</p> <p>6 Q. I guess you talked about everybody having 7 it. I think you said, at one point, everyone had to 8 have it.</p> <p>9 Why does everyone -- why is it the case 10 that everyone had to have it?</p> <p>11 MR. TURNER: Objection. Form and 12 foundation.</p> <p>13 THE WITNESS: So effectively, it's the 14 point of where the network is running and who's on 15 the network, who got into the network, is your speed 16 of network up. You know, there are companies like 17 Palo Alto Networks, Fortinet and Barracuda. There's 18 a handful of companies that all provide these 19 technologies. It's pretty standard.</p> <p>20 As we go back to the security stack, as we 21 called it, and this layered defense system, this is 22 one, it's like baking a cake. This is like the 23 flour. You know, all these other systems, they're 24 parts of the overall layered cake model.</p> <p>25 So this is a very important one. And you</p>

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<p>1 can look to the market caps of Palo Alto Networks 2 and Fortinet and many of the others in the industry 3 to understand why it's important, because they 4 create a huge value. Most of these companies are 5 deploying network firewalls.</p> <p>6 MR. MUGMOM: We've been going for about an 7 hour, if there's a convenient time in the next few 8 minutes to take a break, I'd appreciate it.</p> <p>9 MR. BRUCKMANN: Yeah.</p> <p>10 BY MR. BRUCKMANN:</p> <p>11 Q. Are the steps that are described in the 12 paragraphs under "Network Security" ones that you 13 assumed that all software companies you covered 14 followed?</p> <p>15 A. Yes.</p> <p>16 MR. BRUCKMANN: Now is as good a time as 17 any for a break.</p> <p>18 MR. MUGMOM: Thank you.</p> <p>19 THE VIDEOGRAPHER: We're going off the 20 record. The time is 10:44 a.m.</p> <p>21 (Whereupon, a recess was taken from 22 10:44 a.m. to 10:55 a.m.)</p> <p>23 THE VIDEOGRAPHER: We're back on the 24 record. The time is 10:55 a.m.</p> <p>25 //</p>	<p>1 investment research analyst?</p> <p>2 A. They are very important. As I mentioned, 3 security is a -- is a layered model, and this is one 4 of many layers in that security model.</p> <p>5 Q. Specifically in that first paragraph, 6 there's -- on the second line, there's a sentence 7 that says (as read):</p> <p>8 Access controls to sensitive 9 database in our databases, systems 10 and environments are set on a 11 need-to-know least-privileged 12 necessary basis.</p> <p>13 Do you see that?</p> <p>14 A. Yes.</p> <p>15 Q. What is your understanding of the concept 16 of least-privileged necessary basis is?</p> <p>17 MR. MUGMOM: Objection as to form.</p> <p>18 THE WITNESS: So not everyone inside the 19 company needs to understand what's happening in the 20 system. And effectively what you'd want to do is 21 basically set it so that users can't get access 22 to -- to any of the critical information. There 23 should only be one or two privileged users that 24 could -- could get access to -- to these certain 25 systems.</p>
<p>57</p>	<p>59</p>

1 BY MR. BRUCKMANN:
 2 Q. Mr. Thill, if you could turn to page 3 of
 3 Exhibit Thill 2 for me.
 4 And there's a header, "Access Controls"
 5 and underneath that, there's a header, "Roll Based
 6 Access."
 7 Do you see that?
 8 A. Yes.
 9 Q. If could you read the paragraph under
 10 "Roll-Based Access" to yourself, and let me know
 11 once you've done that.
 12 A. Yes.
 13 Q. First, let me just ask for the entire
 14 document.
 15 Did you read any of this document prior to
 16 the Sunburst hack?
 17 A. No.
 18 Q. And do you know if anyone on your team
 19 read any of this document prior to the Sunburst
 20 hack?
 21 A. I don't know.
 22 Q. All right. The paragraph that I just had
 23 you read under "Roll-Based Access," how important
 24 are the steps in that paragraph for a software
 25 company to follow from your perspective as an

1 BY MR. BRUCKMANN:
 2 Q. And how important is it that a company
 3 follows the concept of least-privileged access, from
 4 your perspective as an investment research analyst?
 5 A. Very important.
 6 Q. Why is that?
 7 A. For every business, you -- there are
 8 certain data that you don't need everyone to have
 9 access -- access to. So there's only certain people
 10 that should be able to access an HR system or a
 11 customer system. You don't -- you don't need the
 12 intern looking at information. You may need only
 13 the CEO looking at that information. So everyone's
 14 access should have different -- different --
 15 different levels. And it -- it shouldn't be
 16 universally open to everyone.
 17 Q. You've referred a few times to privileged
 18 access.
 19 Are you familiar with the concept of
 20 administrative users or administrative access?
 21 A. Yes.
 22 Q. What do you understand that to be?
 23 A. There are set people inside the
 24 organization, there are admins that have the
 25 right -- that have these rights to get in, and there

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<p>1 are very few of them. And they hold the keys to get 2 in and potentially make these changes. So the 3 number of those users are -- should be smaller and 4 are -- are fewer, and they should be the most senior 5 people on the team that people trust.</p> <p>6 Q. How important is it for a software company 7 to properly restrict administrative access?</p> <p>8 MR. MUGMOM: Objection as to form. 9 MR. TURNER: Objection as to form.</p> <p>10 BY MR. BRUCKMANN:</p> <p>11 Q. From your perspective as an investment 12 research analyst, how important is it for a software 13 company to properly restrict administrative user 14 access?</p> <p>15 A. It's -- it's very important.</p> <p>16 Q. Why?</p> <p>17 A. Because you don't let everyone in the 18 company have access to all data. You let certain 19 users in.</p> <p>20 Q. On that same page, there's a header, 21 "Authentication and Authorization."</p> <p>22 Do you see that?</p> <p>23 A. Yes.</p> <p>24 Q. If you could read the two paragraphs 25 underneath that to yourself for me, and let me know</p>	<p>1 unauthorized use of passwords. 2 Do you see that?</p> <p>3 A. Yes.</p> <p>4 Q. How important is it, from your perspective 5 as an investment research analyst, that a software 6 company follow that practice?</p> <p>7 A. Very important.</p> <p>8 Q. Tell me why.</p> <p>9 A. Any website you -- you put your password 10 in, you want to have a unique password that's long 11 and that the hackers can't guess. Simple passwords, 12 you know, can guess, bad guys can get in. And the 13 more complex, the better. And it keeps -- keeps the 14 bad guys out.</p> <p>15 Q. The next paragraph down, the first 16 sentence says (as read):</p> <p>17 SolarWinds employees are 18 granted a limit set of default 19 permissions to access company 20 resources, such as their email and 21 the corporate intranet. 22 Do you see that sentence?</p> <p>23 A. Yes.</p> <p>24 Q. From your perspective as an investment 25 research analyst, how important is it that a</p>
<p>61</p> <p>1 once you've done so.</p> <p>2 A. Yes.</p> <p>3 Q. From your perspective as an investment 4 research analyst, how important is it for a software 5 company to follow the practices set forth in those 6 two paragraphs?</p> <p>7 A. Very important.</p> <p>8 Q. Why?</p> <p>9 A. You want to understand who is in the 10 system. You want to understand that they have the 11 right passwords and that these passwords are 12 changed, that they're updated, that -- that who is 13 accessing is who -- who is getting -- you know, who 14 says they're getting in is actually who is getting 15 in and that these passwords aren't shared, that 16 they're individual to each -- each user. So you 17 actually know who's in and who's out.</p> <p>18 Q. If you look in the first paragraph 19 starting in the second line, there's a sentence (as 20 read):</p> <p>21 Our password best practices 22 enforce the use of complex 23 passwords that include both alpha 24 and numeric characters, which are 25 deployed to protect against</p>	<p>63</p> <p>1 software company follow the practice described in 2 that sentence?</p> <p>3 A. Very.</p> <p>4 Q. Tell me why.</p> <p>5 A. Again, I think going back to what I had 6 said earlier, like all these -- all these components 7 are layered security, and they all are important, 8 and they should all be treated seriously and 9 everyone should have a strict -- a strict 10 authentication authorization into the system. It's 11 just good practice. It's just standard practice. 12 It's standard practice for every company, not even 13 just a software company. We keep that in our own 14 organization.</p> <p>15 Q. Okay. If you look on that same page, 16 there's a header, "Software Development Lifecycle." 17 Do you see that?</p> <p>18 A. Yes.</p> <p>19 Q. If you could please read to yourself the 20 two paragraphs under that header, and let me know 21 once you've done so.</p> <p>22 A. Okay.</p> <p>23 Q. Sorry, I just realized I forgot to ask a 24 couple questions I meant to ask. I don't want to 25 confuse you. So I'm referring now back to the</p>

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<p>1 "Access Controls" sections we were just looking at. 2 A. Yes. 3 Q. Okay. So referring back to the three 4 paragraphs under "Access Controls," are the 5 practices in each of those paragraphs practices that 6 you assume that software companies you follow 7 employ? 8 A. They all follow it. 9 Q. You assume that? 10 A. We assume, by default. 11 Q. All right. Now turning back to the 12 software development lifecycle and those two 13 paragraphs. 14 How important is it, from your perspective 15 as an investment research analyst, that a software 16 company follow practices described in those two 17 paragraphs? 18 A. Very important. 19 Q. Why is that? 20 A. Software goes through a lifecycle being an 21 infant to a teenager to an adult and those 22 processes, just to get it to fully shipping, has to 23 follow the process. And that process is, as the 24 software grows, it gets more complex, and the 25 potential for holes in the -- in gateways and</p>	<p>1 different examples, but you got to ensure that it 2 works. And it's -- it's gone through that process. 3 Q. If you look at the first paragraph under 4 "Software Development Lifecycle," in the second 5 line, there's a sentence (as read): 6 Security and security testing 7 are implemented throughout the 8 entire software development 9 methodology. 10 Do you see that? 11 A. Yes. 12 Q. Is that what you were just referring to? 13 A. Yes. 14 Q. And in the second paragraph, the 15 sentence -- the first sentence says (as read): 16 Our security development 17 lifecycle follows standard security 18 practices, including vulnerability 19 testing, regression testing, 20 penetration testing and product 21 security assessments. 22 Do you see that? 23 A. Yes. 24 Q. All right. What do you understand 25 vulner- -- vulnerability testing to be?</p>
<p>65</p> <p>1 different ways the bad guys can get in grow as the 2 software grows in complexity. 3 So this concept of a development lifecycle 4 is constantly testing, ensuring that the product 5 can't -- can't have this issue, having -- thinking 6 like a hacker and really trying to break into the 7 system. So there's always, you know, this mind-set 8 of how do you -- how do you create the software so 9 that you can ensure that. But then you have to test 10 it, you have to actually -- it's like a car, 11 blender, whatever you build, then you have to test, 12 ensure that it does what your -- your R&D and your 13 process believes it's going to do. 14 Q. And why is that testing so important, from 15 your perspective? 16 A. There's a lot of employees that have their 17 hands on the code. There could be different 18 developers and different teams. There's different 19 processes. There could be -- you know, there could 20 be an issue where someone breaks into the code, 21 could be final, ready to go, and someone broke into 22 the code and put some nasty, you know, bug in the 23 system. And, you know, you don't know until it's 24 final. And we've all learned the lesson as -- as 25 consumers about bad software. I could go through 15</p>	<p>67</p> <p>1 A. You -- you ensure that something bad could 2 happen. So -- effectively you're testing something 3 bad could happen. So you're -- you're ensuring it's 4 not, like, you buy a GORE-TEX rain jacket, you bring 5 it into the rain, right? You understand, like -- 6 using the analogy because it's easier to 7 understand -- but, like, understanding does the code 8 hold up, can someone bad break in, can -- you know, 9 does it boot the right way, does it -- does it hold 10 up to the -- if you have 1,000 people in the system 11 or 100,000 people in the system, you know, can it 12 hold up underneath those conditions. 13 Q. And how important is it that a software 14 company follow that specific practice? 15 MR. MUGMOM: Objection as to form. 16 BY MR. BRUCKMANN: 17 Q. From your perspective as an investment 18 research analyst, how important is it that a company 19 follow that specific practice of vulnerability 20 testing? 21 A. It's very important. 22 Q. The next part refers to regression 23 testing. 24 Do you see that? 25 A. Yes.</p>

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1 **Q.** What is your understanding of what
2 regression testing refers to?
3 **A.** I'm not an expert in regression testing.
4 But, you know, I think many of these, when you look
5 at -- you're talking about can the bad guys get in,
6 can -- is there an open door, is there the right
7 security protocol. There are multiple aspects of
8 this entire sentence that basically refer to can
9 someone bad get in, is it sustainable, can it hold
10 it effectively. When you look at different releases
11 of software, can -- can this insure, that is,
12 they -- if they had to roll back to a prior release
13 or roll forward to another release, can -- are
14 these -- are these systems, you know, basically
15 incorporating the same processes and procedures.
16 But I'm not an expert on regression
17 testing. But overall, the -- this whole SDL or
18 software development lifecycle is -- these are --
19 these are pretty standard tests that everyone runs.
20 But I'm not a regression testing expert.
21 **Q.** What about the next one, penetration
22 testing, what do you understand that that refers to?
23 **A.** You're a hacker, you're trying to get in,
24 you're trying to penetrate the system, you're acting
25 as a bad person, you're literally just trying to get

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1 had learned that SolarWinds was not following a
2 secure development lifecycle for the software
3 created?
4 **MR. MUGMOM:** Objection. Calls for
5 speculation.
6 **MR. TURNER:** Same objection.
7 **THE VIDEOGRAPHER:** Counsel, try not to
8 cover your mouth.
9 **THE WITNESS:** It depends. Because as
10 we've said, there's multiple aspects of the
11 secure -- the security layer system. And if one
12 piece isn't perfect, because it's a layer, the other
13 pieces can pick up and detect.
14 And so there could be one aspect that
15 there's a door open, but the other -- the other
16 security systems pick up on that. And so, again, it
17 depends. In general, I would want to know. We'd
18 want to know. The analysts want to know more than
19 less. So we would want more, we don't get that
20 level of detail.
21 **BY MR. BRUCKMANN:**
22 **Q.** From your perspective as an investment
23 research analyst, are all cyber security problems
24 the same or are some more critical than others?
25 **A.** They're all --

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1 into the system.
2 **Q.** From your perspective as an investment
3 research analyst, how important is it that a
4 software company employ penetration testing as part
5 of its software development?
6 **A.** Pretty critical.
7 **Q.** Why?
8 **A.** Once you build the software, you got to
9 ensure that the bad guys can't get in. So you're
10 ensuring every situation -- there are cyber security
11 companies that are built now, they try to hack into
12 your system. So there are companies that are
13 for-profit that are literally just trying to break
14 in.
15 And so, you know, you -- you have to think
16 like -- you have to think like a good person, a
17 person that's trying to do the right thing for the
18 world, but there are a lot of bad people out there,
19 so you have to think, okay, the other side of this,
20 there's going to be someone bad, how are they going
21 to get in, let's try every aspect to try to -- to
22 break the system down.
23 So there's no ...
24 **Q.** Okay. How would it have affected your
25 coverage of SolarWinds in the 2020 time frame if you

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1 **MR. TURNER:** Objection to form.
2 **THE WITNESS:** -- all very unique. They're
3 all different. They seem -- they seem to follow a
4 common pattern. Someone bad gets in, they stay for
5 six, nine months, no one knows they're there, and
6 then they figure out they're there.
7 There are surveys by IBM and other
8 companies that have run these -- these surveys,
9 which is every single company we cover is having a
10 cyber security issue. There's not one. It's all of
11 them. It's a massive issue.
12 **BY MR. BRUCKMANN:**
13 **Q.** Are there types of cyber security problems
14 that are more concerning to you as an investment
15 research analyst than others?
16 **A.** I wouldn't say no. I -- I think the
17 problem is -- for us is, I think, disclosure of
18 understanding when it hits, how long it's been
19 there, and that, I think, it's hard for companies
20 because they don't know. They may have a signal and
21 they may do due diligence, but they don't know. I
22 think this is a hard thing for all these companies,
23 and the whole thing for the industry is there's such
24 sophisticated methods that it seems like every day,
25 I wake up and there's another issue.

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1 ERRATA SHEET

2 Deposition of: BRENT THILL
3 Date taken: AUGUST 28, 2024
4 Case: SEC v. SOLARWINDS CORP., et al.

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